

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held on April 25, 2002

Attendees: Chairman Elia Germani, Commissioner Kate Racine, Commissioner Brenda Gaynor, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault, Douglas Hartley and Luly Massaro.

Chairman Germani called the open meeting to order at 2:00 PM in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers

The following telecommunications service providers submitted tariff revisions. The Division has reviewed the tariff filings and does not recommend suspension of:

2618 - AT&T Communications of NE, Inc. (filings made on 04/19 and 04/22)

2472 - Sprint Communications

2649 - Easton Telecom Services, LLC

3028 - Qwest Communications Corporation

2262(O) - VarTec Telecom, Inc.

2262(X12) - Metro Teleconnect Companies, Inc.

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to become effective without suspension.

Verizon RI Interconnection Agreements (ICAs):

The following Interconnection Agreements and/or amendments were submitted for approval. The Division has reviewed the ICAs and amendments, and recommends approval of:

3426 - ICA and Amendment No. 1 to ICA entered with LightWave Communications, Inc.

3417 - Amendment No. 2 to ICA entered with Dark Air Corporation

3257 - Amendment Nos. 1 & 2 to ICA entered with CTC Communications Corp.

2614 - Amendment No. 2 to ICA entered with Cox RI Telecom, LLC

After review, Chairman Germani asked for a motion and Commissioner Racine moved to approve the ICAs. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

3240 – Narragansett Electric Co.: Commissioner Gaynor summarized the travel of the docket regarding the Stipulation of the Parties entered for Narragansett's DSM and Renewables Energy Programs for 2002. She noted that at the technical conference held on April 22, 2002, the Commission approved a 3-year renewables program for Shaw's Supermarkets and that quarterly progress reports on this program will be filed. Funding for the Shaw's program was approved for the first year with the understanding that funding for the next 2 years will be contingent upon substantial achievement of the prior year's program goals with regard to additional sales of REGEN blocks.

Commissioner Gaynor reviewed the ongoing programs that will continue to be funded and new programs proposed in the Stipulation, which includes an overall budget of \$33.0 million for 2002. The budget includes \$25.5 million for DSM programs and \$4.8 million for renewable energy programs and projects, inclusive of the carryover fund balance and commitments from previous year. Commissioner Racine moved to approve the Stipulation. The motion was seconded by Chairman Germani and unanimously passed. **Vote 3-0.**

Commissioner Racine noted that the technical conference was excellent in that it was a forum to bring interested public members to contribute their area of expertise to both the DSM and Renewables Collaboratives. She moved to open the proceeding to interested parties and receive comments for administering the structure and process of the collaboratives. A hearing will be scheduled and noticed to solicit comments. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

Lastly, Commissioner Gaynor requested that the Division and Narragansett Electric provide the Commission with alternatives to the Company's "legacy" DSM incentive structure that has been in place for the last 10 years. She requested that the each party report not later than July 15. The motion was seconded by Chairman Germani and unanimously passed. **Vote 3-0.**

With respect to the submission of the next annual DSM/Renewables filing, Commissioner Gaynor noted that a technical conference will be scheduled for mid-October to discuss the programs proposed for 2003. This will allow the parties and Collaboratives to hear the Commission's concerns prior to the annual filing. The annual filing should be made by November 15th; however, if the parties are unable to file a stipulation by that date, the Company shall nevertheless make its annual filing on or before that date and prepare to litigate the unresolved issues.

Anonymous Call Rejection ("ACR"): Commissioner Gaynor has learned from the Division that Verizon ("VRI") and Cox service representatives are misinforming customers when asked why ACR is not available in the state of Rhode Island. When a customer inquires why ACR is not available, the service representative's response is that the "state" or the "Public Utilities Commission" does not allow the offering of this service in RI. This is entirely inaccurate information. Commissioner Gaynor recalled that VRI had proposed to offer ACR as part of its Phonesmart tariff package filing several years ago. At that time, the Division, VRI and intervenors from RI domestic violence organizations, as well as public safety officers, worked on this issue, and it resulted in VRI's withdrawing its proposed ACR tariff in 1998. Thus, the Commission did not reject ACR. Moreover, Verizon never refiled an ACR tariff proposal although it has been free to do so at any time. (Commissioner Racine noted that she is aware of a new, improved product called "Call Interceptor" that is about to be released.) Commissioner Gaynor asked that both VRI and Cox direct its service representatives to accurately inform customers who inquire as to the reasons ACR is not available in RI.

She emphasized that the Commission is not keeping the service from being available, and, in fact, welcomes the filing of an ACR tariff.

3409 - Narragansett Bay Commission (“NBC”) – Commissioner Racine reported that the Commission just learned from the State Purchasing Office that hiring an independent overseer for NBC’s CSO project must be procured through the state’s RFP process, rather than through the single-source procurement process that the Commission normally uses to obtain experts and consultants, and that it could take 4 to 6 months before the RFP is issued and awarded. Therefore, Commissioners Gaynor and Racine noted that it was an appropriate action for benefit of the ratepayers that they decided at the April 18, 2002 open meeting to designate a member of the Commission’s own fiscal staff to attend the weekly CSO meetings, review contracts and expenditures and report directly to the Commission. The Commissioners assigned Thomas Massaro, the Commission’s Chief Fiscal Analyst, to perform these functions on an interim basis until such time as an independent overseer is procured. (Chairman Germani abstained, as he did not participate in the open meeting decision of April 18, 2002.)

Impact of Water Drought on Water Utilities: Commissioner Racine noted that she had requested counsel to draft a letter to the Rhode Island water utilities regarding their initiatives and plan for dealing with water shortages and bans in light of the current and anticipated drought conditions.

The Open Meeting adjourned at 2:55 PM.